



10 ADMINISTRATION

Effective: 6/1/96

10.2 Subcontracts

POLICY: The local agency is responsible for fulfilling all terms and conditions of the Grant Agreement. When it enters into a subcontractual agreement, it retains responsibility for the performance of all parts of the Grant Agreement and program services.

BACKGROUND: A subcontract is defined as an agreement between the local agency and another party that is not a part of the WIC-contracted local agency. The State has the right to deal only with the primary contractor (local agency) and approve any subcontractual arrangements made by the local agency.

PROCEDURE:

A. REQUIREMENTS

Subcontracts may be awarded by the local agency to provide specified WIC services.

1. All subcontracts awarded by the local agency shall be awarded in accordance with the policies and procedures governing the competitive bid process for the applicable program.
2. Subcontracts must:
 - a) be authorized by the State WIC Office through the Contract Administrator. Copies of subcontracts should be submitted with contract renewal materials each year and as subcontracts are initiated or changed.
 - b) be a written agreement between the subcontractor and the local agency, signed and dated.
 - c) require that subcontractors comply with the requirements and provisions of the Agreement and the WIC Operations Manual.
 - d) specify the services to be provided, the costs of those services, and the time period in which the services are to be provided.
 - (1) A WIC project may not enter into any contract or lease agreement which commits WIC funds extending beyond the contract period with DPH (December 31).
 - (2) A local agency may enter into a contract or lease agreement extending beyond the DPH contract period (December 31).



- e) include provisions for modifying or terminating the subcontract.

B. COMPLIANCE:

The local agency must establish appropriate instructions and monitoring procedures for ensuring compliance with provisions of the Agreement and this WIC Operations Manual.

1. Issue appropriate policies and policy updates to subcontractor.
2. Conduct on-site reviews of subcontractor performance at least annually.
3. Ensure that records are retained for the contract period and under the terms described in the records retention section of this manual.
4. Review and resolve audit reports of subcontractors as specified in the Department's Provider Agency Audit Guide, Appendix A, pages 27.6 and 27.7.

ATTACHMENTS

Provider Agency Audit Guide, Appendix A, pages 27.6 and 27.7.